



CALPEEK

CALIFORNIA POLITICAL WEEK

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CAMPAIGN 2002: NEW POLL SHOWS GARAMENDI LEADING DEMO FOR INSURANCE COMMISSIONER.

Editor's note: There are some Calpeek insiders who say the job of Calif. Insurance Commissioner is a "stepping stone to nowhere." These sources might be correct. Here's a brief update & analysis, with some new polling data...

...There are three Demo candidates who are definitely in the running: former IC John Garamendi; former Orange Co. Assemblyman and Clinton Admin. Deputy Drug Czar Tom Umberg; and Assemblyman Tom Calderon, who is chair of the Assembly Insurance Cmt. A fourth Demo, incumbent IC Harry W. Low, has yet to make up his mind. Sources say that if Low has not committed at this point, odds are he won't run. For those with short memories, Low, a retired judge, was appointed IC by Gov. Gray Davis after the elected IC, Chuck Quackenbush(R), resigned under impeachment pressure due to a huge self-inflicted scandal at the DOI. At this point, there are no well known Republicans even looking at the IC's job, which was created with the passage of Prop. 103 in 1986...

...The polling data. This survey was conducted by S.F.-pollster David Binder for Garamendi. It was taken June 9-11 among 600 registered Demos and independent voters (remember: decline to state voters can cross over in a Demo primary). Binder told Calpeek that there was a brief description given after each candidate's name was read: Garamendi 30%; Umberg 9%; Low 8%; Calderon 3%; and undecided 50%. Remember: former titles can't be used on the ballot - a disadvantage for Garamendi...

...The above results aren't a shock, given some recent Field Poll data on statewide name ID. Although Field's survey didn't list Umberg, it showed Garamendi with 51% name ID. There are only 3 other candidates running for office in 2002 who have better name ID: Gray Davis, Richard Rioridan and March Fong Eu. Low's name ID was at 31%, while Calderon's name ID was at 22%. CA State Sen. Jackie Speier(D) was included in the Field data, but several Calpeek sources say Speier won't run statewide in 2002,

despite the fact her name has been linked to the IC's job for about 3-4 years...

...FYI: In terms of campaign staffing, Umberg has hired veteran consultant Richie Ross. Mike Monasmith will be the cmp. mgr.; Kimberly Ray has been hired as finance director; Nate Tamarin is the political director; and Evans McDonough Co. will handle polling. John Hanna will be Umberg's cmp. treasurer. Garamendi isn't as far along, but he has hired Demo media consultant Bill Carrick to oversee his campaign. Calderon hasn't hired a lead consultant as yet. He's focused on fundraising. Stay tuned...

CALPEEK WILL BE ON VACATION FOR 2 WEEKS

We've been at it without a break since January and need some R&R. Calpeek will be on vacation the last week of June and the first week of July. We'll be back at work July 9th. Have a happy and safe July 4th. Stay tuned...

CA'S REMAPPING PROCESS IS UNDER THE RADAR.

Editor's note: The process of redrawing U.S. House and Calif. Legislative districts takes place only once every 10 years. In terms of importance, there's *nothing* more important to Legislators and members of Congress. Oddly, reapportionment or remapping is very much *under the political radar*, as the new 2001-02 budget and the power crisis continue to grab headlines. But in a few weeks reappo (the insider name for reapportionment) will be on everyone's radar. Here's our brief update & analysis...

...Sources say the first draft of the reapportionment plan should be released the last week of July or the first week in August. The current lines were drawn by the CA Supreme Court after then-Gov. Pete Wilson(R) and the Demo-controlled Legislature failed to reach agreement. The key difference between 1991 and 2001: Gov. Gray Davis is a Demo. Get the picture???

...Regardless, there's the feeling among both Demo and GOP sources that the Demos can't or won't stick it to the GOP. The voters have already done that. In other words, GOP paranoia is not justified. The final reapportionment

bill can pass with a simple majority vote, but would be subject to a referendum vote in either March or November. If the final remapping bill passes with a 2/3rds vote in the Assembly and Senate, then there is no referendum. As for Gov. Davis, he's indicated he won't sign a bill which is gerrymandered – a la *Phil Burton*...

... With the exception of the 1994 election cycle, where the GOP made substantial gains Statewide and briefly recaptured the CA Assembly, the election cycles of '96, '98 and 2000 have been disasters for CA GOPers. It's due to a combination of poor candidate recruitment and changing demographics, mostly the latter...

... Here's how things stand now. U.S. House: **32(D)** vs. **20(R)**. CA State Senate: **26(D)** vs. **14(R)**. And CA State Assembly: **50(D)** vs. **30(R)**...

... While it's only what insiders call bar talk, apparently there have been some behind the scenes discussions between Demos & GOP legislative leaders over a deal with the focus on a status quo State Legislative plan...

... As for the U.S. House, that's where the hot and heavy discussions will take place. And remember: whatever plan is finally approved must also pass a legal review by both the CA and U.S. Supreme Courts. The folks who are paranoid are GOP U.S. House members, because they tried to screw the CA Legislature with an initiative to put remapping in the hands of the Court. GOP Legislators have long memories and given term limits, some GOP legislators are a bigger threat to incumbent GOP House members than Demos...

... But the biggest problem (for Demos) will be to provide more House seats for the State's growing Latino voting bloc, while not taking away seats from African Americans. Our sources say all 4 Black U.S. House seats are SAFE (Lee, Waters, McDonald and Watson)...

... Key areas of discussion: 1) Steve Horn's 38th CD. He's an icon in Long Beach and it's doubtful that the current crop of Demos eyeing his seat can beat him. So there is some talk of moving him a little further south, giving him some more GOP voters. Those Demos he'd be losing could go to Jane Harman(D-36). 2) Howard Berman's 26th CD. His district is becoming heavily Latino. With Michael Berman in Sacto helping to draw the new lines, it's possible Berman could be moved west – into turf now held by Brad Sherman(D-24). Sherman could be given Oxnard and Ventura – two increasing Demo areas in GOPer Elton Gallegly's 23rd CD. And 3) Where do you put the NEW 53rd CD?

Some sources think the ideal place is between Bakersfield and Fresno (a Demo or GOP Latino could win) OR in the Inland Empire – probably San Bernardino County. Lots of speculation. Stay tuned...

FULL METAL JACKET: TEST FIRING OF HANDGUNS FOR LICENSE IS MORE COMPLEX THAN IT SOUNDS.

Editor's note: A very brief update on the status of AB 35 (Kevin Shelley) and SB 52 (Jack Scott) – two high-profile gun bills which would require potential handgun buyers to first obtain an acquisition license...

... Calif. is a defacto-acquisition licensing State because under current law handgun buyers must have a Basic Firearms Safety Certificate. The certificate is issued after the gun buyer either views a 2-hour videotape on gun safety or passes a written test. Under AB 35 and SB 52, the video is out and a mandatory written test is IN. Additionally, before an acquisition license or certificate (as it's now being called) is issued, potential handgun buyers must pass a test where a handgun is physically discharged. And while it might seem like a very simple thing to go to a target range or fire a handgun into a drum device, it's really much more complicated than that...

... Scott and Shelley say one doesn't have to go to a target range at all, but sources believe the drum device firing test presents some technical and logistical problems that need to be ironed out. But assuming for the moment that a drum device is OK, where does a potential handgun buyer get a gun to fire? Remember, you've got to get the certificate and/or license before you get the gun. That brings up the question of gun loans. Under current Calif. law, one can't just simply borrow a handgun from a friend...

... Turns out that Assemblywoman Helen Thomson(D-Davis) is trying to fix the gun loan problem with AB 1139. It has passed the Assembly, but has yet to win approval in the State Senate. Sources say the powerful NRA is ambivalent about 1139: they'd like to fix the gun loan problem, but by doing so, it will help AB35/SB52. Also AB 1139 could require more handguns to be licensed, which is always a red flag for the gun lobby. Next big legislative test for AB 1139 is in the State Senate Public Safety Cmt., but there's no hearing date as yet. Scott & Shelley are waiting on Gov. Davis to see what he wants to do – thus no scheduled hearings for their bills as of deadline time. Stay tuned...

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ENERGY & POLITICS: SDG&E PLAYS LET'S MAKE A DEAL. FERC FINALLY GETS ITS – OKs RATE CAPS.

Editor's note: The week of June 18th was a good one for Calif. and for Gov. Gray Davis(D). Most important, the State of Calif. has made yet another deal with the third largest utility in Calif. (SDG&E). It's a deal that really does have some political overtones. Here's our brief update and analysis...

...The Sempra Energy (San Diego Gas & Electric) deal is very good news for Davis. The SDG&E deal has two key elements: 1) the State will buy SDG&E's part of the power grid for \$1 billion; and 2) the deal will undo some previous PUC actions – changing accounting rules, thus killing off balancing accounts/balloon payments to SDG&E ratepayers. Consumer groups complained that the balancing account mechanism would have resulted in huge "balloon payments" at the end of a 2 year period. And here's the best part: if the Legislature doesn't go along with buying the power grid, the second part of the deal still stands. What Sempra gets out of the deal is tons of goodwill. And it's obvious Wall Street liked this deal because Sempra's stock went up after the announcement...

...Politically, this SDG&E/Sempra deal was a very big win for Davis. It shows he's making progress in solving the energy crisis and it shores up his standing in vote rich San Diego County. The energy crisis began in San Diego and the crisis has radicalized local politics. Davis carried San Diego Co. by 25,000 votes in 1998. Demo Al Gore lost the county, but carried City by 45,000 votes. Bottomline: in order for a GOP candidate to win Statewide, he or she must carry San Diego Co. by at least 120,000 votes...

...The second major development was the flip-flop by FERC on wholesale power price caps. The Bush White House, under huge pressure from Gov. Davis, Demos in general, as well as Western States GOP U.S. House members (including a number of Calif. GOP House members), finally got the message. The new rule, approved on a 5-0 vote, puts price caps (mitigation relief) on power supplies for all of the Western States, not just Calif. Whatever it's called, it was a win for Gov. Davis. And while it's not everything Davis and others had hoped for, it's a step in the right direction...

...What remained unresolved are possible refunds, based on previous FERC rulings (11/1/00 and 12/15/00) that rates charged by the energy suppliers were not just & reasonable. Testifying in DC, Davis demanded that FERC order refunds of up to \$9 billion (based on estimates from the CA ISO). U.S. Sen. Barbara Boxer(D-CA) has introduced a bill which

would force FERC to order refunds in cases where gouging could be proved. Boxer calls her bill *The Electricity Gouging Relief Act of 2001*...

...FYI: this past week also saw the release of a tv ad bashing Gov. Davis' handling the energy crisis – financed by a group called American Taxpayer Alliance. The ad was produced by savvy GOP media guru Alex Castellanos. The White House/RNC has fingerprints all over this Davis-bashing effort. But the key problem is that the ad doesn't have much credibility in light of the FERC flip-flop on price caps and public testimony in DC about the energy price gouging. Stay tuned...

ARE SCHOOL VOUCHERS A DEAD ISSUE IN CALIF.??

Editor's note: You'd think that after Prop. 38 got crushed in Calif. last year by 71% NO vs. 29% YES vote that the pro-school voucher movement might be dead. Wrong. And that's why a group of 15 organizations have formed the Calif. Alliance for Public Schools(CAPS). Here's a brief update & analysis...

...On June 12th, GOP U.S. Sen. Judd Gregg's proposal for a \$50 million school voucher pilot program was defeated on a 58 to 41 vote and thus it would appear that vouchers won't be a part of Pres. George Bush's education program. And while the anti-voucher crowd is pleased, it doesn't mean the voucher movement in the U.S. or Calif. is dead. In fact, a number of pro-voucher organizations are still actively pushing their agenda. Pro-voucher billionaire John Walton and pro-voucher advocate Ted Forstmann are still active, as are a number of conservative think tanks – such as the Heritage Foundation and the Pacific Research Inst....

...And because there is still a very active pro-voucher movement in the U.S. and Calif., groups active in the anti-Prop. 38 campaign of 2000 have formed CAPS. Groups which are part of the alliance include the CA Teachers Assn., Calif. PTA, Assn. of CA School Administrators, CA School Bds. Assn., AAUW, CA School Employees Assn., Assn. of CA Urban School Districts, CA Latino School Board Members Assn., Congress of CA Seniors and the CA State Employees Assn.(CSEA). Sacto-based Kaufman Campaign Consultants is in charge (916)443-7817. CAPS also has a very extensive website: www.ourpublicschools.org...

...One of CAPS first project was to release a new survey by pollster Mark Mellman. Key findings show: 1) fix our public schools or try vouchers – 72% for public schools vs. 21% for vouchers; and 2) education ranks 2nd (29%) to the energy crisis (36%) in Calif. Stay tuned...

CALPEEK'S CAMPAIGN CONSULTANTS DIRECTORY

Calpeek is now sending out a 3rd round of questionnaires to consultants who still have not responded to the first two requests. If you are a consultant who has not received a questionnaire (and you want to be included in the new 2001-2002 **Directory of Campaign Consultants**) better contact Dick Rosengarten ASAP (310)659-0205. If you are interested in advertising in the new Directory, again please contact Publisher Dick Rosengarten. FYI: the back outside cover of the Directory has been sold. The advertising deadline is July 9th...

DOG DAYS OF SUMMER: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ ***The Death of CA Justice Stanley Mosk*** – Calif.

Supreme Court Justice Mosk was 88 and died at his home in S.F. June 19th. In 1999 he broke the record for the longest service on the CA Supreme Court. Mosk was on CA's high court for 37 years and was known as a legal giant among his colleagues. Mosk was appointed to the State Supreme Court in 1964 by the late Gov. Pat Brown. In 1977 when Donald Wright stepped down as Chief Justice, then Gov. Jerry Brown(D) should have appointed Mosk as chief, but instead named Rose Bird. As history will record, that was perhaps Jerry Brown's biggest blunder while in office. In 1986, while Bird and Cruz Reynosa and Joseph Grodin were being bounced from court by voters, Mosk was reconfirmed without a problem. Mosk was born in 1912 in San Antonio, Texas. R.I.P...

■ ***Statewide GOP Candidates MIA*** – So where are all the GOP candidates for Statewide office? In researching our Insurance Commissioner article, we discovered there are no GOP candidates for that office – or for CA State Treasurer or CA Attorney General. There are 2-3 GOP candidates for governor; 2 for Controller; 1 for State Supt. of Public Instruction; 1 for Lt. Governor; and 1 for Secretary of State. That's it and we checked with a number of GOP sources...

■ ***Deukmejian Endorses Jones*** – A big boost for the gubernatorial campaign of GOP Sec. of State Bill Jones, as former Gov. George Deukmejian also agrees to be his cmp. chair. Ed Rollins signs up as sr. strategy consultant and Larry McCarthy will do the tv. McNally Temple & Assoc. also aboard as consultants, with Rob Lapsley as cmp. mgr...

■ ***Calif. Energy Alliance Formed*** – This is a new statewide coalition of business and labor whose chief aim is to advocate more efficient permitting and construction power plants in Calif. The first member of the new group is the Calif. Alliance for Jobs. Key members of this group

include the AGC, EUCA, AECE, Operating Engineers #3, and No. Calif. Laborers Union. Jim Earp is the exec. director...

■ ***Hayden Loses*** – The final court in two close L.A. City council contests is in and former State Sen. Tom Hayden came up 369 votes short of overtaking Councilman-elect Jack Weiss. No sooner had the results been announced when *L.A. Times* reporter Sue Fox wrote a very interesting political obit. Hayden probably wouldn't think so. The other council cliff hanger ended up with Dennis Zine defeating Judith Hirshberg by just 88 votes...

CALPEEK'S NEW JOBS AND PERSONNEL NOTICES.

Editor's note: Here are some items to mark down in your notebook...

● The S.F.-based campaign/PA firm of Barnes, Mosher, Whitehurst, Lauter & Partners has added a Sacramento office at 1121 "L" Street, #401, Sacramento, CA 95814. (916)325-8600. Mark Capitolo is director of State Govt. Relations for BMWL...

● Gov. Davis has named Carol D. Chesbrough as chief deputy commissioner of the Dept. of Financial Institutions...

● L.A.-based Rogers & Associates has formed a Latino Strategies Group and has named Valarie De La Garza as the VP in charge of this 9-member team...

● Gov. Davis has named Jerry R. Avila as Director of the Calif. Office of Export Finance. He'll be based in Sacramento...

CALPEEK'S MARKETPLACE NETWORK

● **Evans/McDonough Company**, research/strategic consulting firm in Berkeley, CA and Seattle, WA, seeks field director. Responsibilities: methodology design, budget, time line, and proposal management, subcontractor selection. Ideal candidate: BA/MA, 5+ years experience, negotiation skills. Send cover letter and resume to Natasha@evansmcdonough.com...

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